

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, April 26, 2022

An Executive Session may be called at any time for purposes authorized
by the Open Public Meetings Act

9:00 a.m. Commission Convenes

9:30 a.m. Reports from staff

12:00 Noon Lunch

1:00 p.m. Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of April 12, 2022

2. Regular Agenda

8991 – Resolution Amending the Governance Policy and Superseding Prior Resolutions Relating to Governance of Grant PUD.

Motion authorizing Commission approval of Service Area Agreement 140-10993 with Douglas PUD, authorizing each party to provide electrical service to certain customers within the other party's service area with prior approval. (3404)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 130-08756 with North Sky Communications, LLC (NSC) increasing the not-to-exceed contract amount by \$18,400,000.00 for a new contract total of \$70,700,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5. (3405)

Motion approving Employment Agreement with Richard Wallen, General Manager/CEO. (3406)

Motion authorizing payment to Shelton Corrals, for invoice dated November 29, 2021 in the amount of \$29,108.00. (3407) **For Review and Action**

3. Review Items For Next Business Meeting

4. Calendar

5. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

REGULAR MEETING OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

April 12, 2022

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 627 899 217# with the following Commissioners present: Judy Wilson, President; Nelson Cox, Vice-President; Tom Flint, Secretary; Terry Pyle, Commissioner and Larry Schaapman, Commissioner.

The Commission convened to review vouchers and correspondence.

A round table discussion was held regarding the following topics: outage report; incentive/funding opportunity exploration; Commissioner Flint read into the record correspondence received from Eric Weber, Landau Associates, regarding a Port of Quincy water rights inquiry; technology options available to the Commission; review of WPUDA committee candidates; Commissioner Cox expressed concerns with EV load and rate structures; and an inquiry from Commissioner Wilson regarding a question regarding a specific paid invoice as well as management of contract limits.

Terry McKenzie, Senior Manager of Wholesale, and Jeremy Conner, Project Manager, presented the Wholesale Fiber Report.

Shannon Lowry, Lands & Recreation Manger, and Blair Fuglie, Senior Lands Specialist, provided the Lands and Recreation Program Report.

New employee Damien Hooper, Lands & Permitting Supervisor, was introduced to the Commission.

Trade association and committee reports were reviewed.

Commissioners and General Counsel/CLO held an overview discussion of the Governance Policy Review.

The Commission recessed at 11:40 a.m.

The Commission resumed at 1:00 p.m.

Correspondence was noted from Eric Weber of Landau Associates regarding a Port of Quincy water rights inquiry.

Consent agenda motion was made Mr. Schaapman and seconded by Mr. Flint to approve the following consent agenda items:

Payment Number	119646	through	120163	\$20,494,256.48
Payroll Direct Deposit	194094	through	195552	\$4,143,078.12
Payroll Tax and Garnishments	20220324A	through	20220407C	\$1,821,686.40

Meeting minutes of March 22, 2022.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-10739 with Open Systems International, Inc (OSI) for delivery of an Energy Management System, in an amount not-to-exceed \$3,013,231.00. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mr. Schaapman authorizing payment to Harris Institute of Technical Training, for invoice #2021-1230-01 dated December 30, 2021 in the amount of \$86,348.00. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Flint authorizing payment to VAR Technology Finance for invoice dated January 9, 2022 in the amount of \$18,613.94. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Baxter Gillette, Manager of Large Power Solutions, provided a Hydrogen Brief.

An executive session was announced at 2:50 p.m. to last until 3:25 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 3:24 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 3:24 p.m. on April 12th and reconvened on Tuesday, April 19th at 8:30 a.m. at the Ephrata Headquarters Building, 30 C Street SW, Ephrata, Washington for the purpose of holding a workshop and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the April 12, 2022 meeting officially adjourned at 2:45 p.m. on April 19, 2022.

Judy Wilson, President

ATTEST:

Tom Flint, Secretary

Nelson Cox, Vice President

Terry Pyle, Commissioner

Larry Schaapman, Commissioner

REGULAR AGENDA

RESOLUTION NO. 8991

A RESOLUTION AMENDING THE GOVERNANCE POLICY AND SUPERSEDING PRIOR
RESOLUTIONS RELATING TO GOVERNANCE OF GRANT PUD

R e c i t a l s

1. Grant PUD has a Governance Policy adopted August 31, 2009 by Resolution No. 8402, and as amended by Resolution Nos. 8517, 8708, 8815, 8918, 8963 and 8982; and
2. Grant PUD has reviewed and desires to update its Governance Policy.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of Public Utility District No. 2 of Grant County, Washington:

Section 1. The Public Utility District No. 2 of Grant County, Washington Governance Policy (the "Governance Policy") attached as Exhibit A is hereby approved and adopted as the official governance policy of Grant PUD.

Section 2. Any prior resolutions inconsistent with the Governance Policy adopted herein are superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 26th day of April, 2022.

Judy Wilson, President

ATTEST:

Tom Flint, Secretary

Nelson Cox, Vice President

Terry Pyle, Commissioner

Larry Schaapman, Commissioner

GOVERNANCE POLICY



Exhibit A

Resolution No. 8991

Revised – Resolution No. 8402

Revised – Resolution No. 8517

Revised – Resolution No. 8708

Revised – Resolution No. 8815

Revised – Resolution No. 8918

Revised – Resolution No. 8963

Revised – Resolution No. 8982

April 26, 2022

Table of Contents

<u>Policy</u>	<u>Title</u>	<u>Page</u>
1	Purpose of the Commission	1
2	Governance Focus	1
3	Commission Member Job Description	2
4	General Meeting Rules	3
5	Presiding Officer	4
6	Commission Meeting Agenda	4
7	Motions	5
8	Voting	5
9	Audience Participation (Addressing the Commission)	6
10	Filling Commission Vacancies	6
11	Executive Sessions	6
12	Criminal Convictions & Violations of the Code of Ethics.....	7
13	Preserving the Attorney Client Privilege.....	7
14	Good Faith Cooperation with Insurance Carrier	7
15	Ultra Vires Actions	7
16	Violations of Commission Rules of Proceedings.....	7
17	Role of Commission President	8
18	Role of the Commission Vice-President	8
19	Role of the Commission Secretary	9
20	Commission Members' Code of Conduct.....	9
21	Board Training, Orientation	11
22	Commission Review of District Public Records.....	12
23	Commission Committees	12
24	Unity of Control	13
25	Commission-General Manager / CEO Relationship.....	13
26	Commission-General Counsel / CLO Relationship	14
27	Commission Relationship w/ Auditor and Treasurer.....	15
28	Commission Relationship w/ Chief Resource Officer (CRO)	16
29	Delegation to the General Manager / CEO	16
30	Budget & Procurement Authority	17
31	Financial Policies.....	18
32	Amendment of These Rules.....	18

1 Purpose of the Commission

- A The Commission is the legislative body of Public Utility District No. 2 of Grant County, Washington pursuant to the Public Utility District Act, RCW Title 54, and all other applicable statutes and laws. The powers of the District are exercised through a five-member Commission pursuant to RCW 54.12.010.
- B The purpose and responsibility of Grant County PUD's Commission, on behalf of the customers of Grant County, is to provide oversight and democratic decisions that enable Grant County PUD to fulfill its mission of generating and delivering power and other services to its customers in a cost-effective and efficient manner.
- C Accordingly the Commission will:
 - 1. Identify and define the purpose, values, vision, and strategic direction of the District, along with the results the District is to achieve, and communicate them in the form of policy.
 - 2. Identify and define those results or conditions of the District that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
 - 3. Make operational decisions designated by statute.
 - 4. Hire, evaluate, and terminate the General Manager / CEO.
 - 5. Hire, evaluate, and terminate the General Counsel / CLO.
 - 6. Appoint or remove the Treasurer.
 - 7. Appoint or remove the Auditor.
 - 8. Review and approve the budget in a timely manner.

2 Governance Focus

- A The Commission will govern with an emphasis on:
 - 1. Strategic leadership.
 - 2. Encouragement of diversity in viewpoints.
 - 3. Clear distinction of Commission and General Manager / CEO roles.
 - 4. Collaborative rather than individual decisions.
 - 5. The future and present.
 - 6. Being proactive rather than reactive.
- B Specifically:
 - 1. The Commission is responsible for excellence in governing.
 - 2. The Commission will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Commission's values and vision.

3. The Commission's major policy focus will be on Grant County PUD's long-term impacts outside the organization, not on the administrative or programmatic means of achieving those effects. The Commission relies upon the expertise and diversity of its individual members to enhance the ability of the Commission as a body.
4. The Commission will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policymaking principles and codes of conduct.

3 Commission Member Job Description

- A The specific duties of the Commissioners as elected representatives are to ensure appropriate organizational performance.
- B Specifically, Commissioners will:
1. Regularly attend Commission meetings and workshops.
 2. Adopt the District's Strategic Plan, review it annually and make appropriate revisions.
 3. Adopt the District's budget on an annual basis.
 4. Set the rates, rules and regulations for services and commodities provided by the District.
 5. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.
 6. Promote continual Commission development which will include orientation of new Commission members in the Commission's governance process and periodic Commission discussion of process improvement to include periodic training and education.
 7. Monitor and discuss the Commission's process and performance semi-annually at Commission workshops. Self-monitoring will include comparison of Commission activity and discipline to policies in the governance process. The Commission will determine the appropriate manner of evaluation and feedback.
 8. Maintain written policies to ensure a high quality of governance and clear direction and roles in decision-making between the Commission and General Manager / CEO.
 9. Respect their individual fiduciary duties to protect and enhance the District as a customer-owned utility with due diligence using sound business judgment. In addition, a minimum of two (2) Commissioners will attend the Financial Advisory Committee (FAC) and work with staff on the financial management of the District.
 10. Hire the General Manager / CEO to handle the day-to-day operations of the District and fulfill the duties as outlined in RCW 54.16.100.

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel / Chief Legal Officer (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.
 - a) Complete written mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation. At this time, the Commission will also determine proper Appointee compensation for the following calendar year.
 - b) Complete verbal year-end evaluation of Appointees. The Commission will communicate any new goals or objectives during the subsequent evaluation.
12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.
13. Take such other actions as may be required by law.

4 General Meeting Rules

- A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.
- B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.
- C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.
- D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No member shall use any impertinent, degrading or slanderous language as to any

other member, staff, or public. There shall be no lectures, speeches or grandstanding.

- E Audio/Video Area: All audio or video taping by the public and/or press shall be done from the back of the meeting room.

5 Presiding Officer

- A **President:** The President shall preside at meetings of the Commission, and be recognized as the head of the Commission for all ceremonial purposes. In case of the President's absence or temporary disability, the Vice-President shall act as President during the continuance of the absence. The President is referred to as the "Chair" or "Presiding Officer" from time-to-time in this Governance Policy.
- B **Call to Order:** The meetings of the Commission shall be called to order at the appointed time by the President or, in his absence, by the Vice-President. In the absence of both the President and Vice-President, the meeting shall be called to order by the Secretary.
- C **Preservation of Order:** The President shall preserve order and decorum; prevent attacks on personalities or the impugning of member's or public motives and confine members or public in debate to the question under discussion.
- D **Points of Order:** The President shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be "Shall the decision of the President be sustained?"
- E **Questions to be stated:** The President shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon request of any member.
- F **President-Voting Powers:** The President shall vote on motions or other matters to be decided by the Commission unless he or she has abstained from discussion or debate and voting on an agenda item due to an announced conflict of interest.

6 Commission Meeting Agenda

- A The General Manager / CEO shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Commission. A copy of the agenda and supporting materials shall be prepared for Commission members, the General Manager / CEO, and the press on or before the close of business on the Thursday before the regular Commission meeting.
- B The Consent Agenda may contain items which are of a routine and non controversial nature and may include, but are not limited to the following; meeting minutes, vouchers, travel, and trade association appointments. Any item on the Consent Agenda may be removed and considered separately as an agenda item at the request of any Commission member or any person attending a Commission meeting.

- C Members of the Commission, General Manager / CEO, or designee, will have the opportunity to discuss/recommend business or other matters for placement on future agendas. In addition, at each regular Commission meeting, time will be allowed for any Commission member, the General Manager / CEO, or designee to bring before the Commission any business that should be discussed or deliberated upon.
- D In the event of a natural disaster, attack or notice of imminent attack, where it becomes imprudent, inexpedient or impossible to conduct the affairs of the District at the regular or usual place, the Commission may meet at any place within or without its territorial limits on the call of the presiding President or any three members of the Commission. After any emergency relocation, the affairs of the District shall be conducted at such emergency temporary location for the duration of the emergency (RCW 42.14.075).

7 Motions

- A Members who wish to make a motion must first be recognized by the Presiding Officer. After the member makes a motion (and after the motion is seconded if required), the chair must restate it or rule it out of order, then call for discussion.
- B Most motions require a second, although there are some exceptions: nominations, points of order, requests to remove an item from the consent agenda, and motions to table. The Presiding Officer will state the motion and call for the vote. A motion to table does not require a second and is not debatable.
- C Motions for reconsideration must be made by a member from the prevailing side; any member may make the second. The following rules apply to motions for reconsideration: Motion must be in a timely manner but in no instance more than six (6) months after the original action. When (6) months have elapsed, any member may bring the item before the Commission.

8 Voting

- A The votes during all meetings of the Commission shall be transacted as follows:
 - 1. Unless otherwise provided for by statute, ordinance, or resolution, all votes shall be taken by voice, except that at the request of any Commission member, the Presiding Officer shall take roll call vote. The Presiding officer shall determine the order of the roll call vote.
 - 2. The passage of any motion or resolution shall require a majority vote of the whole Commission.
 - 3. Commission members shall vote on all matters before the Commission unless a statutory conflict of interest exists. If there is a conflict of interest, that Commission member shall state the conflict of interest and abstain from discussion and from voting on that matter.
 - 4. If any Commission member refuses to vote “aye” or “nay”, their vote shall be counted as an “aye” vote unless the Commissioner provides a reason to abstain.

9 Audience Participation (Addressing the Commission)

- A **Agenda Items:** Anyone desiring to speak to the Commission on an agenda item must sign the meeting register and indicate their desire to speak to the Presiding Officer at the beginning of the meeting unless otherwise recognized by the chair. This will generally take place during the public comment period of the meeting.
- B **Non-Agenda Items:** Anyone desiring to speak to the Commission on a non-agenda item shall sign the meeting register and indicate their desire to speak to the Chair at the beginning of the meeting. The Presiding Officer, at his or her discretion, may permit such persons to address the Commission and has the authority to limit the time for comment to three (3) minutes unless a longer period of time was either pre-arranged with the Clerk of the Board and/or is allowed by the Board President.
- C **Manner of Addressing the Commission:** Each person addressing the Commission shall step up to the microphone, give his/her name, address and city of residence and subject matter of comments in an audible tone of voice for the record. All comments shall be made to the entire Commission and not to any single member nor to staff. Any questions for Commission members or staff shall be presented through the Presiding Officer. The Commission will determine the disposition of any issues raised (e.g., placed on the present agenda, workshop, other agendas, refers to staff, or do not consider).
- D **Conduct of Audience:** All audience members shall abide by the rules of decorum contained in Section 4, General Meeting Rules, paragraph "D" entitled "Decorum". No audience member shall disrupt the conduct of the meeting or cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the Presiding Officer may have such person removed from the Commission chambers immediately. Such person shall not be permitted to attend the remainder of that Commission meeting.

10 Filling Commission Vacancies

- A **Notice of Vacancy.** If a Commission vacancy occurs, the Commission will follow the procedures outlined in RCW 42.12.070. In order to fill the vacancy with the most qualified person available until an election is held, the Commission will widely distribute and publish a notice of vacancy and the procedure and deadline for applying for the position.
- B **Letters of Interest.** The Commission will announce the vacancy and will accept letters of interest from any interested person for no less than 30 days from the time of official public announcement. The Commission will review the letters of interest and/or interview the applicants. The Commission will select and appoint a qualified person to the vacant Commission seat.

11 Executive Sessions

- A If the Commission convenes an executive session to discuss what is permitted by law, there is no valid reason to disclose publicly what was discussed and reviewed

privately. Everything which is discussed during an executive session, and all written materials that are reviewed during an executive session, shall be considered confidential and no Commission member shall publicly disclose any such information. The Commission finds that disclosing publicly what was discussed and reviewed during an executive session undermines the whole purpose of meeting in executive session. Public disclosure may be made in the event a majority of the Commission members vote to approve the public disclosure prior to its disclosure. Any request for such a vote shall be first raised during an executive session for discussion purposes prior to a vote in open session.

12 Criminal Convictions & Violations of the Code of Ethics

- A No Commission member shall serve on the Commission after having been convicted of any criminal violation of Chapter 42.23 RCW (as now enacted or hereafter amended) or any felony or malfeasance in office RCW 9.92.120 (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having violated any of the provisions of Chapter 42.23 RCW (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having been convicted of any offense involving a violation of his or her official oath RCW 42.12.010(5) (as now enacted or hereafter amended).

13 Preserving the Attorney Client Privilege

- A No Commission member shall make any disclosures or release any information which would result in the waiver of the attorney/client privilege without first obtaining the approval of a majority of the Commission in open session. Such a request for disclosure shall first be raised during an executive session for discussion prior to a vote in open session.

14 Good Faith Cooperation with Insurance Carrier

- A All Commission members shall cooperate in good faith with any insurance carrier or attorney representing the District in connection with a defense provided by an insurance carrier.

15 Ultra Vires Actions

- A Commission members shall not act ultra vires, or outside the scope of their authority and duties as Commission members.

16 Violations of Commission Rules of Proceedings

- A These Rules of Procedure/ Proceedings are adopted with the intent that they be fully enforceable and that violations thereof result in Commission action against members as provided herein and pursuant to RCW Title 54 and Title 42.23, as now enacted or hereafter amended. Any violation of these Rules of Procedure/ Proceedings is deemed to constitute disorderly conduct by such member.
- B Any claim of violation of the Governance Policy must be made in writing by a Commission member and filed with the President and made a part of the minutes of the Commission meeting where the charge is first considered.

- C Members violating any other Rules of Procedure shall be subject to admonition for the first violation of a particular rule and reprimanded for subsequent violations.
- D **Admonition:** An admonition shall be verbal vote in open session, recorded in the minutes, made by the Commission to the member.
- E **Reprimand:** A reprimand shall be administered to the member by letter. The letter shall be prepared by the Commission after action in open session to approve such letter. If the member objects to the contents of such letter, he/she may file a request for review of the content of the letter of reprimand with the Commission. The Commission shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action appears appropriate under the circumstances.

17 **Role of Commission President**

- A The President of the Commission shall:
 1. Ensure that the Commission jointly and consistently adheres to its own rules and policies, and those imposed upon it by the laws of the State of Washington.
 2. Preside over and facilitate Commission meetings.
 3. Ensure that deliberation is fair, open and thorough, but also timely, orderly and kept to the point.
 4. Preside over and facilitate all Commission meetings in accordance with this Governance Policy, if not otherwise addressed here, the most current version of and Roberts Rules of Order, as needed.
 5. Schedule and coordinate the semi-annual process of evaluating the General Manager / CEO.
 6. Schedule and coordinate the semi-annual process of evaluating the General Counsel /CLO.
 7. Have no authority to supervise or administratively direct the General Manager / CEO, apart from authority expressly granted the President by the Commission.
 8. Assume responsibility of the Commission that is not specifically assigned to another Commission member.
 9. Be allowed to delegate his or her authority, but remains accountable for its use.
 10. Call Special Meetings of the Commission in the event of a business need as provided for in RCW 42.30.080.

18 **Role of the Commission Vice-President**

- A The Vice-President of the Commission shall:
 1. Perform such duties as are assigned by the President.

2. Have all the power and duties of the President in the absence or inability of the President to act.
3. Have all the powers and duties of the Secretary in the absence or inability of the Secretary to act, when not acting as the President.

19 Role of the Commission Secretary

A The Secretary of the Commission shall:

1. Where appropriate, attest instruments and documents duly authorized by the Commission.
2. Perform all duties incident to the office of Secretary as may from time to time be required by law or assigned to such office by motion, rule or resolution of the Commission.
3. Have all the powers and duties of the President in the absence or inability of both the President and the Vice-President to act.

20 Commission Members' Code of Conduct

A Commission members shall conduct themselves in accordance with all laws. The State of Washington has adopted a "Code of Ethics" that applies to all municipal officers, codified under RCW 42.23. The declared purpose of the Code of Ethics is to make uniform the laws of the State concerning the transaction of business by municipal officers in conflict with the proper performance of their duties in the public interest, and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict.

B Specifically:

1. Commission members are strictly prohibited by law from entering into or engaging in any activity defined by RCW 42.23 as a conflict of interest with their official duties as a Grant County PUD Commissioner.
2. On an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.
3. On a case by case basis, each Commission member will disclose to the other Commission members, in a public forum, any remote conflicts of interest as defined under RCW 42.23. Disclosure will be noted in the District's official minutes which are public record. A Commissioner with such remote interest will not participate in any discussion and/or debate concerning such interest, will not vote on the matter, and will do nothing to influence any other Commissioner concerning their decision on the matter.
4. Commission members will adhere to the Grant County PUD Code of Ethics adopted by the Commission, and shall conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.

5. Commission members will adhere to the Grant County PUD policy on appropriate use of District resources.
6. Commission members will become familiar with their individual and joint obligations pertaining to the District's directive on reporting alleged improper governmental action, including actions required of the Commission regarding employee complaints of alleged improper governmental actions and/or employee claims of retaliation for reporting alleged improper governmental actions.
7. Commission members understand that all letters, memoranda and/or interactive computer or electronic information (including e-mail), the subject of which relates to the conduct of the District or the performance of any District function, are public records and may also be subject to disclosure under the Washington Public Records Act. Upon request, any such public records shall be provided to the Public Records Officer for inclusion in the District's records management program.
8. Commission members shall demonstrate loyalty to the interests of Grant County PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.
9. Commission members may not attempt to exercise individual authority over Grant County PUD except as explicitly set forth and authorized in Commission policies.
 - a) Commission members recognize the lack of authority vested in them as individuals in their interactions with the General Manager / CEO and with staff, except where explicitly authorized by the Commission.
 - b) In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.
 - c) Commission members shall not lead the public or media to have the impression that the General Manager / CEO, General Counsel / CLO, Auditor, or Treasurer is out of compliance with policies absent a determination of non-compliance by the Commission.
10. In accordance with Washington's Open Public Meetings Act, Commission members:
 - a) Shall not meet as a quorum outside of Commission-called public meetings to hold discussions or make decisions as defined in RCW 42.30, regarding the business of the District.
 - b) Shall not meet as a quorum with staff outside of a Commission-called public meeting for the purpose of gathering information.
 - c) Understand that the requirements of the Washington Open Public Meetings Act applies to communications via telephone, e-mail, instant messaging or other forms of electronic communications. Any

exchange of communication between more than two Commission members may constitute an official meeting of the Commission and be in violation of the Act.

- d) Commission members may send information to other members of the Commission on an informational basis; however, replies and/or exchanges of communications with more than one Commissioner regarding District business must not occur outside of an official public meeting of the Commission. Any such e-mail sent for informational purposes as described above, by any member of the Commission, shall be sent individually, not as group e-mail. Commissioners will not "reply" to any e-mail received by all other members of the Commission.
- e) Commission members may not evade the requirements of the Open Public Meetings Act through use of "serial meetings", that is a series of smaller gatherings or use of a go-between such that the majority of Commissioners are not together but through the collection of other interactions the majority intend to take action. This includes but is not limited to: a series of telephone calls, multiple meetings between different groups of two Commissioners and e-mail communications between multiple Commissioners for the purpose of coordinating a decision.

- 11. Members will respect the confidentiality appropriate to issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, Executive Sessions and including any other confidential information gained by reason of the Commissioner's position.

21 Board Training, Orientation

- A The Commission shall ensure that its skills are sufficient to assure excellence in governance of Grant County PUD.
- B Specifically:
 - 1. New Commission members shall receive training and orientation in Commission governance, policies and procedures.
 - 2. New Commission members shall receive an orientation on the District's Strategic Plan.
 - 3. New Commission members shall receive other general orientation in the organization and operation of the District by the General Manager / CEO and/or his designate.
 - 4. Commission members shall receive training in the skills of effective communication and decision-making.
 - 5. The Commission President shall receive training in the facilitation of public meetings.

22 **Commission Review of District Public Records**

- A Grant County PUD has a duty to comply with appropriate public records requests as prescribed in the Washington Public Records Act. Commissioners do not give up their status as members of the public and therefore can request such information.
- B Because of the special status conferred upon the Commissioners as elected representatives, each Commissioner agrees that:
 - 1. Commission member requests to inspect District documents that do not meet the criteria of a "public record" under RCW 42.56 and/or which may be confidential in nature, shall be forwarded directly to the General Manager / CEO, who will provide the requested files, as allowed by law, for review on District premises.
 - 2. No confidential or original documents shall be taken from District premises except with the authorization of the Commission or General Manager / CEO.
 - 3. Commission members shall adhere to the same confidentiality requirements applicable to employees when dealing with the District's records and other documents.
 - 4. District employee personnel files will not be subject to Commission review pursuant to the District's policies relating to employee records confidentiality and access except this limitation shall not apply to Commission appointees.
 - 5. Access to District public records may be achieved by making a verbal or written request to the General Manager / CEO, General Counsel / CLO, or Clerk of the Board. The requested material will be provided to all five board members.

23 **Commission Committees**

- A The Commission may establish ad hoc advisory and standing committees.
- B The Commission will review the committees at least annually to determine whether they should continue.
- C Specifically:
 - 1. Committees will ordinarily assist the Commission by gaining education, considering alternatives and implications, and preparing policy alternatives.
 - 2. Commission committees may not speak or act for the Commission, except when formally given such authority for specific and time-limited purposes.
 - 3. Commission committees cannot exercise authority over staff nor interfere with the delegation from the Commission to the General Manager / CEO.
 - 4. Participation in committee meetings shall be in compliance with the provisions of the Open Public Meetings Act, in that if three or more

Commission members are present, then the meeting must be properly noticed as a public meeting.

5. This policy applies to any group which is formed by Commission action, whether or not it is called a committee. It does not apply to committees formed under the authority of the General Manager / CEO.

24 Unity of Control

- A Only decisions of the Commission acting as a body are binding upon the General Manager / CEO, the General Counsel / CLO, the Auditor, or Treasurer.
- B Specifically, in or out of Commission Meetings:
 1. Decisions or instructions of individual Commission members are not binding on the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer except in instances when the Commission has specifically authorized such exercise of authority.
 2. In the case of Commission members requesting information or assistance without Commission authorization, the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer must refuse such requests that require, in their opinion, a material amount of staff time or funds, are disruptive to the District, or which may involve a conflict of interest between the District and the Commissioner requesting the information or assistance.
 3. Commission members individually may communicate directly with District employees or contractors. However, the Commission as a body and the Commission members will never give direction to persons who report directly or indirectly to the General Manager / CEO, with the exception of the General Counsel / CLO, Auditor, or Treasurer. If individual Commission members are dissatisfied with the response they receive, they may seek resolution through the Commission.
 4. The Commission as a body and the Commission members will refrain from evaluating, either formally or informally, the job performance of any District employee other than the General Manager / CEO and General Counsel / CLO.

25 Commission-General Manager / CEO Relationship

- A The Commission governs Grant County PUD and is the policy-making body of the District. The Commission operates under the provisions of the Revised Code of Washington, Title 54, Title 42 in part, and all other applicable statutes and laws.
- B The Commission is responsible for the following:
 1. Identifying and defining the purpose, values and vision of the District, along with the results that the District is to achieve, and communicating them in the form of policy.
 2. Making certain operational decisions as designated by law.
 3. Hiring, evaluating, and terminating the General Manager / CEO.

- C The General Manager / CEO is responsible for the following:
1. All operations of the District as well as the business affairs of the District.
 2. Achieving the results established by the Commission within the appropriate and ethical standards of business conduct set by the Commission.
 3. Enforcing District resolutions, administering directives, staff policies and procedures, hiring and terminating all employees, attending meetings of the Commission and reporting on the general affairs of the District, and keeping the Commission advised as to the current and future business needs of the District.
 4. Appointing a person to serve as the District's Chief Financial Officer. This will be a person with sufficient education and experience to fulfill the duties of the position. Together with the chief financial officer, the General Manager / CEO shall ensure that, to the best of their knowledge and belief, financial reports are complete and reliable in all material respects.
 5. Ensuring the smooth continuous operation of the District in the event of the planned or unplanned absence of the General Manager / CEO.
 6. Interacting with the public and other utilities and government agencies, pursuant to policies and direction adopted by the Commission.
 7. At the direction and oversight of the Commission, the General Manager / CEO and Chief Financial Officer, or their designees, shall jointly serve as the chief liaison with all external audit agencies, shall coordinate the proper independent audit of annual financial statements, and shall ensure that the results and findings of such audits are reported to the Commission. In acting in this capacity, the General Manager / CEO does not relieve the Commission of its oversight responsibility
 8. Perform other responsibilities as may be appropriately delegated by the Commission.

26 Commission-General Counsel / CLO Relationship

- A The General Counsel / CLO provides legal counsel to the District and to the Commission. The General Counsel / CLO reports both to the Commission and to the General Manager / CEO.
- B The Commission is responsible for hiring and terminating the General Counsel / CLO.
- C The General Counsel / CLO shall advise the Commissioners regarding potential conflict of interest issues or ethical matters. General Counsel shall provide assistance to individual Commissioners in complying with applicable statutes and laws only when such advice does not conflict with the General Counsel's obligations to the District or to specific direction of the Commission.
- D The Commission is responsible for evaluating the General Counsel's / CLO's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the General Counsel.

- E With respect to the Commission, the General Counsel / CLO shall:
1. Give his or her advice or opinion whenever he or she deems it necessary or when required by the Commission.
 2. Inform the Commission of material legal issues impacting the District or the Commission.
 3. When necessary, act independently of the General Manager / CEO.
 4. Provide counsel to the Commission and individual Commission members with regard to conflict of interest issues.
 5. Provide counsel to the Commission and individual Commission members with regard to other ethical matters.
 6. Assist the Commission members in complying with and interpretation of applicable statutes, laws, and regulations.
 7. The General Counsel / CLO shall not provide legal counsel to Commission members except as it relates to their role as Grant County PUD Commission members.

27 Commission Relationship w/ Auditor and Treasurer

- A The District Auditor (Auditor) and District Treasurer (Treasurer) serve in the capacity set forth by Title 54 of the Revised Code of Washington.
- B The Commission is responsible for appointing or removing the Auditor and the Treasurer. The Commission, by resolution, shall designate an Auditor and this person shall be a District employee other than the General Manager / CEO or Treasurer. The Commission, by resolution, shall designate a person other than the County Treasurer to be District Treasurer and this person shall be a District employee other than the General Manager / CEO or Auditor. The Auditor and Treasurer shall perform those duties specified by RCW 54.24.010 and shall be granted direct access to the Commission at the request of the Auditor, Treasurer or Commission, but not less than quarterly in the performance of these duties.
- C The Auditor shall report to the Chief Legal Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations. The Treasurer shall report to the Chief Financial Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations.
- D The Treasurer or Deputy Treasurer shall provide quarterly reports to the Commission summarizing cash and investment activity, and provide other reports to the Commission as necessary related to the duties of the Treasurer or as requested by the Commission.
- E The Auditor or Deputy Auditor shall issue warrants for claims against the District. As soon as practical after issuance of such warrants, the Auditor shall provide a list of all warrants issued, and shall certify to the Commission that such disbursements satisfy just, due and unpaid obligations of the District, in a manner specified by the State Auditor.

- F If the Commission disapproves a paid claim on the District, the Auditor will request the Treasurer to recognize the claim as a receivable. The Treasurer and Auditor will pursue collection.
- G The Auditor shall develop an annual audit plan, and conduct audits contained within the plan or other audits as may be requested by the Commission. The Auditor shall report to the Commission on the progress and results of such audits at least semi-annually. The Auditor, in the performance of his or her duties, shall have unlimited access to all activities, records, property and personnel of the District.

28 Commission Relationship w/ Chief Resource Officer (CRO)

- A The Chief Resource Officer / CRO provides strategic direction to the Commission and to the District. The Chief Resource Officer / CRO reports to the Commission and shall serve as a member of executive management.
- B The Commission is responsible for hiring and terminating the Chief Resource Officer / CRO.
- C The Commission is responsible for evaluating the Chief Resource Officer / CRO's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the Chief Resource Officer / CRO.
- D The Chief Resource Officer / CRO is responsible for the following:
 1. Advising the Commission and District management on long term power supply issues, including the potential for developing small modular reactors (SMR).
 2. Advising the Commission and District management on Resource Adequacy.
 3. Advising the Commission and District management on Columbia River Treaty issues.
 4. Advising the Commission and District management on strategies for retail load growth.
 5. Advising the Commission and District management on national or state-level mandated de-carbonization of the District's energy portfolio.
 6. Advising the Commission and District management on such other strategic or technical issues the District may face, as requested by the Commission.

29 Delegation to the General Manager / CEO

- A In accordance with RCW 54.16.100, the General Manager / CEO is the chief administrative officer of the District, in control of all administrative functions and shall be responsible to the Commission for the efficient administration of the affairs of the District placed in his or her charge. In the absence or temporary

disability of the General Manager / CEO, the General Manager / CEO shall, with the approval of the President of the Commission, designate some competent person as Acting Manager.

The General Manager / CEO may attend all meetings of the Commission and its committees, and take part in the discussion of any matters pertaining to the duties of his or her department, but shall have no vote.

The General Manager / CEO shall carry out the orders of the Commission, and see that the laws pertaining to matters within the functions of his or her department are enforced; keep the Commission fully advised as to the financial condition and needs of the districts; prepare an annual estimate for the ensuing fiscal year of the probable expenses of the department, and recommend to the commission what development work should be undertaken, and what extensions and additions, if any, should be made during the ensuing fiscal year, with an estimate of the costs of the development work, extensions, and additions; certify to the Commission all bills, allowances, and payrolls, including claims due contractors of public works; recommend to the Commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; hire and discharge employees under his or her direction; and perform such other duties as may be imposed upon the manager by resolution of the Commission.

- B The General Manager / CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the goals set forth by the Commission for the District.
- C The Commission shall develop policies that define the delegation to the General Manager / CEO with regard to the General Manager / CEO's authority.
- D The General Manager / CEO must bring to the Commission's attention circumstances that affect the goals established by the Commission and may request the Commission to take appropriate actions.
- E The Commission may change its delegation to the General Manager / CEO at any time, thereby expanding or limiting the authority of the General Manager / CEO. Whenever a particular delegation is in place, the Commission will abide by the General Manager / CEO's decisions in those areas that are delegated to him or her.

30 Budget & Procurement Authority

- A The Commission, by resolution, shall approve the District's budget prior to the start of each fiscal year.
- B By resolution, the Commission shall set forth the authority of the General Manager / CEO to manage and expend District funds in accordance with financial policies and budgetary limits. Procurement of goods and services shall take place in accordance with applicable legal requirements in a fair, competitive and inclusive manner to maximize the benefit to the District's ratepayers/customers.

- C The General Manager / CEO shall establish procurement controls that provide reasonable assurance that the procurement of goods and services are made for a valid business purpose and within authorized budget levels.
- D It is District policy that all procurement decisions be made free from actual or perceived conflicts of interest consistent with the District's Code of Ethics.
- E It is District policy that due diligence and prudent judgment be exercised in the making of procurement decisions, including conducting a risk assessment. If the General Manager / CEO reasonably determines that a procurement activity presents, regardless of the size of the financial commitment, either (i) a unique and significant operational risk to the District; or (ii) a significant impact to customers, the General Manager / CEO shall inform the Commission.

31 Financial Policies

- A The Commission, by resolution, shall adopt financial policies that provide guidance to the General Manager / CEO and Chief Financial Officer in managing the finances of the District and in developing budgets, financial plans and rates. At a minimum, these policies shall 1) provide for sufficient liquidity relative to the District's risk profile, 2) provide for adequate coverage to meet debt covenants, 3) establish criteria for debt and rate - financed capital expenditures, 4) require that budgets be developed based on conservative and prudent assumptions consistent with standard industry practice, and 5) establish budgetary and procurement controls over expenditures.

32 Amendment of These Rules

- A These rules may be amended or new rules adopted by a majority vote of the whole Commission, provided that the proposed amendments or new rules have been introduced into the record at a prior Commission meeting.

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel / Chief Legal Officer (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.
 - a) Complete ~~verbal~~written mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation. At this time, the Commission will also determine proper Appointee compensation for the following calendar year.
 - b) Complete verbal year-end ~~written~~ evaluation of Appointees. The Commission will communicate any new goals or objective during the subsequent evaluation. ~~At this time, the Commission will also determine proper Appointee compensation for the following calendar year.~~
12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.
13. Take such other actions as may be required by law.

4 General Meeting Rules

- A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.
- B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.
- C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.
- D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No

Motion was made by _____ and seconded by _____ authorizing Commission approval of Service Area Agreement 140-10993 with Douglas PUD, authorizing each party to provide electrical service to certain customers within the other party's service area with prior approval.

MEMORANDUM

March 31, 2022

TO: Grant PUD Commissioners
Rich Wallen, General Manager/Chief Executive Officer

VIA: Dave Churchman, Chief Customer Officer
Cary West, Senior Manager Customer Solutions *Chw*

FROM: Richard Cole, Customer Solutions Program Supervisor *RCole*

SUBJECT: Approval of Service Area Agreement 140-10993 with Douglas PUD

Purpose: To request Commission approval of Service Area Agreement 140-10993 with Douglas PUD, authorizing each party to provide electrical service to certain customers within the other party's service area with prior approval.

Discussion: Chapter 54.48 RCW authorizes public utility districts serving consumers in adjoining service areas to enter into agreements with each other for the designation of boundaries and the establishment of procedures for extension of service in adjoining areas not currently served. It states, "...the duplication of the electric lines and service of public utilities and cooperatives is uneconomical, may create unnecessary hazards to the public safety, discourages investment in permanent underground facilities, and is unattractive, and thus is contrary to the public interest and ...it is in the public interest for public utilities and cooperatives to enter into agreements for the purpose of avoiding or eliminating such duplication."

In February 1986, Grant entered into Service Area Agreement 150-630 with Douglas, authorizing Grant to serve certain customers in Douglas County. This Agreement was extended for another 25 years in 2011. Douglas serves customers within Grant County; however, it has been determined there is no formal contract in place authorizing them to do so. This new Service Area Agreement will supersede the 1986 agreement and will authorize both parties to provide service within the other party's service area.

Currently, Grant PUD is serving 11 locations within Douglas County and Douglas PUD is serving 5 locations within Grant County.

Recommendation: Commission approval of Service Area Agreement 140-10993 with Douglas PUD.

Legal Review: See attached e-mail(s).

Leah Mauceri

From: Mitchell Delabarre
Sent: Wednesday, March 30, 2022 10:24 AM
To: Leah Mauceri
Subject: RE: Legal Review Requested by 3/30 - 140-10993 Service Area Agreement with Douglas PUD

I do not see any legal issues with the proposed agreement.
Mitch

Mitchell P. Delabarre
General Counsel/Chief Legal Officer
Grant PUD
mdelaba@gcpud.org
509 793-1565

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From: Leah Mauceri <Lmaucer@gcpud.org>
Sent: Tuesday, March 29, 2022 7:32 PM
To: Mitchell Delabarre <Mdelaba@gcpud.org>
Subject: Legal Review Requested by 3/30 - 140-10993 Service Area Agreement with Douglas PUD

Action Required	Legal review of 140-10993, Service Area Agreement with Douglas PUD (link below)
By when:	COB 3/30, if possible, in order to make the Commission deadline on 3/31
Detailed Info:	<ul style="list-style-type: none">• Supersedes 150-630• Allows both parties to serve customers in the other party's service territory
Links to docs:	C365 Link – both the agreement and Commission memo are located on the dashboard

SERVICE AREA AGREEMENT

This Service Area Agreement (“Agreement”), effective upon full execution (“Effective Date”), is by and between Public Utility District No. 2 of Grant County, Washington (“Grant”) and Public Utility District No. 1 of Douglas County, Washington (“Douglas”). For purposes of this Agreement, Grant and Douglas may be referred to herein individually as a “Party” and collectively as “Parties.”

R e c i t a l s :

RCW 54.48.010 et seq, authorizes public utility districts serving consumers in adjoining Service Areas to enter into agreements with each other for the designation of boundaries and the establishment of procedures for extension of service.

The Parties entered into Service Area Agreement 150-630 on February 3, 1986, authorizing Grant to maintain and extend electrical facilities and provide electrical service to certain areas of Douglas County.

Grant has been serving and desires to continue service within Douglas County, Washington, and Douglas has been serving and desires to continue service within Grant County, Washington.

It is the intent of the Parties that this Agreement supersede and replace Service Area Agreement 150-630 to authorize Grant to continue service within Douglas County, Washington and to authorize Douglas to maintain and extend electrical facilities and provide electrical service to certain areas of Grant County, Washington.

NOW, THEREFORE, pursuant to RCW Chapter 54.48 and in consideration of the mutual covenants herein, the Parties hereto agree as follows:

1. Definitions

When capitalized and used in this Agreement, the following terms are defined as follows:

“Delivery Service” – the provision of electrical distribution functions by a Party, through poles, lines, facilities, and system operations, allowing the end use customer to be connected to a source of energy supply.

“Distribution Lines” – overhead and underground wires, poles, and equipment for the primary purpose of providing electrical service connection to the end use customer.

“Existing Customer” – an end use customer who is connected to the electrical Distribution Lines of either Party to this Agreement at a particular location and any successor to the customer at the same location.

“New Customer” – a prospective new end use customer that does not have Delivery Service at a new location.

“Point of Use” – the location where electric power is used by an end use customer.

“Service Area” – the geographic areas where each Party to this Agreement has the exclusive right to provide Delivery Service to Existing or New Customers, regardless of distance from Distribution Lines of the utility. Grant’s Service Area is Grant County, Washington. Douglas’s Service Area is Douglas County, Washington.

2. Delivery Service

- A. Delivery Service to Existing Customers. As of the Effective Date, each Party will continue to service its Existing Customers in the other Party's Service Area. Neither Party will extend its Delivery Service facilities within the Service Area of the other Party unless in accordance with Sections 2.B and/or 2.C below. All existing lines which cross the boundary into the Service Area of the other Party, shall remain the property of the serving Party. Neither Party shall solicit requests for Delivery Service from an Existing Customer for the delivery of power to a Point of Use that is being served by the other Party.
- B. Expansion of Delivery Service to Customers. Any proposal to extend the existing Distribution Lines of either Party to serve an Existing Customer in the Service Area of the other Party shall be deemed a new request to extend facilities and shall be subject to the terms of Section 2.C.
- C. Service Area Exceptions and New Requests. Service Area exceptions that exist as of the effective date of this Agreement are specified in Exhibit A. Upon receipt of any new request for service in the Service Area of the other Party, the receiving Party will forward all pertinent information relative to such request (e.g., New Customer information, load, and map) to the serving Party, who shall determine whether it will furnish such service. The serving Party shall provide written notice of its decision to the other Party within 60 days. Should the serving Party allow the service exception, the receiving Party may extend service upon mutual agreement between the Parties. Any new Service Area exception will be added to a revised Exhibit A.

3. No Duplication of Facilities

The Parties agree not to construct any electrical distribution facilities which duplicate any such facilities in the other Party's Service Area other than pursuant to the terms of this Agreement.

4. Term

This Agreement shall continue in full force and effect for 25 years following the Effective Date unless terminated earlier by mutual agreement of the Parties.

Upon the expiration or termination of this Agreement for any reason, Douglas may elect to purchase all of Grant's electrical distribution facilities in Douglas's Service Area and Grant may elect to purchase all of Douglas's electrical distribution facilities in Grant's Service Area. The purchase price shall be the fair market value of said facilities, as defined in Section 5 below, and payment in full shall be made within 120 days of said expiration or termination. At time of purchase, the Party selling the facilities shall furnish the other Party with staking sheets showing the as-constructed portions of the line built in the applicable Service Area.

5. Option to Purchase

During the term of this Agreement, and upon one year's advance written notice and payment of the fair market value of said facilities, Grant shall have the option to purchase all or any portion of Douglas's electrical distribution facilities within Grant's Service Area and Douglas shall have the option to purchase all or any portion of Grant's electrical distribution facilities within Douglas's Service Area.

For purposes of this Agreement, fair market value shall be equal to the estimated cost of replacement at the time of said purchase, less 3% per year for each year or fraction thereof from the date of actual installation to the date of purchase; however, in no event shall the fair market value be less than \$7,000.00 per mile of line.

6. Impact on Prior Agreements

This Agreement supersedes all previous agreements with respect to the subject matter covered by this Agreement, whether written or oral, between Grant and Douglas, including Service Area Agreement 150-630.

7. Governing Law

This Agreement shall be interpreted, governed by, and construed under the laws of the State of Washington.

8. Indemnification

- A. Grant shall defend, indemnify, and hold Douglas harmless from all claims, damages, losses, liability, and expenses arising from the negligent or other tortious acts or omissions of Grant, its employees, agents, or contractors arising under this Agreement.
- B. Douglas shall defend, indemnify, and hold Grant harmless from all claims, damages, losses, liability, and expenses arising from the negligent or other tortious acts or omissions of Douglas, its employees, agents, or contractors arising under this Agreement.

9. Notices

Any notice or other communication under this Agreement given by either Party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either Party may from time to time change such address by giving the other Party notice of such change.

Grant	Douglas
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager, Customer Solutions PO Box 878 Ephrata, WA 98823 Cwest@gcpud.org With a copy to Legal@gcpud.org	Public Utility District No. 1 of Douglas County, Washington Attn: Dennis Baker 1151 Valley Mall Parkway East Wenatchee, WA 98802 dennisba@dcnud.org

10. Modification of Agreement

No modification of this Agreement will be binding upon either Party unless approved in writing by both Parties.

11. Assignment

Neither Party may assign this Agreement, in whole or in part, voluntarily or by operation of law, without prior written approval of the other Party.

12. Non-Waiver

No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

13. Counterpart and Electronic Signatures

The Parties may execute this Agreement, and any modification to this Agreement that is required to be executed, in any number of counterparts and through electronic signature. Each counterpart and electronic signature will be deemed an original and all counterparts will constitute one agreement binding on both Parties.

IN WITNESS WHEREOF, Grant and Douglas have executed this Agreement each by its proper respective officers and officials thereunto duly authorized the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

Public Utility District No. 1
of Douglas County, Washington

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
SERVICE AREA EXCEPTIONS

Existing locations served by Grant within Douglas's Service Area:

Location
1195 Road G SE, Ephrata
126 Pixlee Rd, Ephrata
150 Pixlee Rd, Ephrata
181 Rd 12 SE, Ephrata
161 Rd 12 SE, Ephrata
1120 Lenore Overlook Rd, Ephrata
9593 SR 17 N, Coulee City
9595 SR 17 N, Coulee City
9516 SR 17 N, Coulee City
9601 SR 17 N, Coulee City
9607 SR 17 N, Coulee City

Existing locations served by Douglas within Grant's Service Area:

Location
23201 Road 12 NW, Quincy
12343 Road W NW, Quincy
21954 Baird Springs Road, Quincy
23855 NW Road 12, Quincy
23253 Road 12 NW, Quincy

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 130-08756 with North Sky Communications, LLC (NSC) increasing the not-to-exceed contract amount by \$18,400,000.00 for a new contract total of \$70,700,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5.

MEMORANDUM

3/30/2022

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: Terry McKenzie, Senior Manager Wholesale Fiber
Julie Pyper, Senior Manager of Project Management Office
Allen Chatriand, PMO Manager Power Delivery

FROM: Jeremy Conner, Project Manager

SUBJECT: Contract 130-08756 Change Order No. 5, Fiber Optic Design and Construction Services 2019-2023

Purpose:

To request Commission approval of Change Order No. 5 to Contract 130-08756 in the amount of \$18,400,000.00 for a new total contract Not to Exceed price of \$70,700,000.00. This is intended to provide funding to continue with North Sky Communications, LLC (NSC) for Fiber Optic Design and Construction.

Discussion:

The original contract was awarded on December 11, 2018. NSC continues to design and build out fiber in areas of the County that are designated for connectivity. The District is managing the activities and expenses of NSC.

Funding for this contract was originally set at \$10,000,000.00 for 2019 with the intent to add additional funding via change order on an approximately annual basis. At the beginning of 2020 an additional \$10,500,000.00 was added via Change Order 1. Change Order 2 was administrative in nature and did not change the terms or financial amounts. Also, in 2020 Change Order 3 was approved in the amount of an additional \$13,400,00.00. In 2021 Change Order 4 was approved in the amount of \$18,400,000.00.

Justification:

The District is committed to completing and maintaining a sustainable wholesale fiber optic network to all the people of Grant County per Strategic Plan Objective 7. Since the expansion is a major project that has a definable end, the District uses contract labor and equipment to accomplish the task rather than increase and decrease staff levels. This is a five-year contract that helps maintain a stable contract workforce and reduce overall procurement costs.

Financial Considerations:

Summary of Total Contract Spend

Item	2019 Actuals	2020 Actuals	2021 Actuals
Completion of Prior Builds (ML5 and George)	\$1,052,653.50	\$0.00	\$0.00
Maintenance Support	\$78,760.33	\$0.00	\$53,218.11
Work Orders		\$169,783.52	\$432,656.15
Fiber Drops	\$1,738,663.21	\$2,754,500.54	\$3,786,606.41
Fiber Buildout Project (40 Areas)	\$7,045,870.26	\$13,831,093.71	\$13,482,633.81
Annual Total	\$9,915,947.30	\$16,755,377.77	\$17,755,114.48

1. Per the NSC contract a 3% increase went into effect January 1, 2022, for labor and equipment.
2. NSC continues to fulfil the high demand for Customer Connection requests while still maintaining full efforts towards the construction of the Fiber Expansion.
3. The project team made the decision in 2020 to accelerate NSC's engineering work. The engineering work drives the rest of the activity on the project. Getting the design work further out ahead of the construction will make construction more efficient. NSC has added engineering resources in 2020 that will remain onsite throughout 2022.

The Fiber Expansion buildout budget for 2022 is \$20.2M. Connect the Customer budget for 2022 is \$6.9M.

Change Order History: See included change order table.

Legal Review: See included email.

Recommendation:

Commission approval of Change Order No. 5 to Contract 130-08756 in the amount of \$18,400,000.00 with North Sky Communications, LLC for Fiber Optic Design and Construction.

From: [Allen Chatriand](#)
To: [Patrick Bishop](#); [Terry Mckenzie](#); [Julie Pyper](#); [Jeremy Conner](#)
Cc: [Vangie Crago](#)
Subject: RE: 130-08756 CO5 Fiber Optic Design and Construction - Memo approval
Date: Thursday, March 17, 2022 11:06:43 AM

I approve

*Allen Chatriand, Manager PMO – Power Delivery
Grant County PUD
509-378-7720*

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Thursday, March 17, 2022 10:00 AM
To: Terry Mckenzie <Tmckenz@gcpud.org>; Julie Pyper <Jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>
Cc: Vangie Crago <Vcrago@gcpud.org>
Subject: FW: 130-08756 CO5 Fiber Optic Design and Construction - Memo approval

Good morning,

We have approval to move Change Order No. 5 to Contract 130-08756 with North Sky Communications to the next Commission Packet. Can each of you please respond to this email as a sign off on the attached memo. Thank you.

Regards,

Patrick Bishop

Procurement Officer

OFFICE 509.793.1556

EMAIL pbishop@gcpud.org



-----Original Message-----

From: Carol Mayer <Cmayer@gcpud.org>
Sent: Thursday, March 17, 2022 9:06 AM
To: Patrick Bishop <Pbishop@gcpud.org>
Subject: 130-08756 CO5 Fiber Optic Design and Construction

You have contract and legal approval to proceed with submitting this change order into the Commission packet.

From: [Julie Pyper](#)
To: [Patrick Bishop](#); [Terry Mckenzie](#); [Allen Chatriand](#); [Jeremy Conner](#)
Cc: [Vangie Crago](#)
Subject: RE: 130-08756 CO5 Fiber Optic Design and Construction - Memo approval
Date: Thursday, March 17, 2022 11:42:28 AM

I approve.

Please let me know if you have any questions or comment. Thank you and take care, Jules

Julie E. Pyper

Senior Manager

Enterprise Project Management Office | Organizational Change Management | Operations Budgeting and Analysis

Learn more about [Project Management](#)

Learn more about [Organizational Change Management](#)

DESK 509.754.5089

EXT. 4153

CELL 509.429.2420

EMAIL jpyper@gcpud.org



grantpud.org

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Thursday, March 17, 2022 10:00 AM
To: Terry Mckenzie <Tmckenz@gcpud.org>; Julie Pyper <Jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>
Cc: Vangie Crago <Vcrago@gcpud.org>
Subject: FW: 130-08756 CO5 Fiber Optic Design and Construction - Memo approval

Good morning,

We have approval to move Change Order No. 5 to Contract 130-08756 with North Sky Communications to the next Commission Packet. Can each of you please respond to this email as a sign off on the attached memo. Thank you.

Regards,

Patrick Bishop

Procurement Officer

From: [Terry Mckenzie](#)
To: [Jeremy Conner](#); [Patrick Bishop](#); [Julie Pyper](#); [Allen Chatriand](#)
Cc: [Vangie Crago](#)
Subject: RE: 130-08756 CO5 Fiber Optic Design and Construction - Memo approval
Date: Thursday, March 17, 2022 10:33:20 AM

I approve.

From: Jeremy Conner <jconner@gcpud.org>
Sent: Thursday, March 17, 2022 10:05 AM
To: Patrick Bishop <pbishop@gcpud.org>; Terry Mckenzie <tmckenz@gcpud.org>; Julie Pyper <jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>
Cc: Vangie Crago <vcrago@gcpud.org>
Subject: RE: 130-08756 CO5 Fiber Optic Design and Construction - Memo approval

Patrick,
I approve this.

Thank You,

Jeremy Conner
Fiber Project Manager

DESK 509.793.1551
EXT. 4183
CELL 509.398.2048
EMAIL jconner@gcpud.org



grantpud.org

From: Patrick Bishop <pbishop@gcpud.org>
Sent: Thursday, March 17, 2022 10:00 AM
To: Terry Mckenzie <tmckenz@gcpud.org>; Julie Pyper <jpyper@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>; Jeremy Conner <jconner@gcpud.org>
Cc: Vangie Crago <vcrago@gcpud.org>
Subject: FW: 130-08756 CO5 Fiber Optic Design and Construction - Memo approval

Good morning,

We have approval to move Change Order No. 5 to Contract 130-08756 with North Sky Communications to the next Commission Packet. Can each of you please respond to this email as a sign off on the attached memo. Thank you.

CHANGE ORDER
NO. 5

Pursuant to Section GC-11, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price.
- B. Time of Completion: The completion date shall remain December 31, 2023.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$18,400,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$70,700,000.00, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

North Sky Communications, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Change Order Table

Contract Title: Fiber Optic Design and Construction Services 2019-2023

Contract No.	130-08756	Award Date:	12/14/2018
Project Manager:	Jeremy Conner	Original Contract Amount:	\$10,000,000.00
District Representative (If Different):		Original Contract completion:	12/31/2023
Contractor:	North Sky Communications, LLC	Total CO Cost Change Amt	\$60,700,000.00

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase the not to exceed Contract Price.	Comm	12/11/19	N/A	\$10,500,000.00	\$20,500,000.00	\$10,500,000.00
2	Revise Exhibit "B" Rate Schedule to add one labor classification and three equipment classifications.	Dept Mgr	06/03/30	N/A	\$0.00	\$20,500,000.00	\$0.00
3	Increase the not to exceed Contract Price.	Comm	07/29/20	N/A	\$13,400,000.00	\$33,900,000.00	\$13,400,000.00
4	Increase the not to exceed Contract Price.	Comm	05/03/21	N/A	\$18,400,000.00	\$52,300,000.00	\$18,400,000.00
5	Increase the not to exceed Contract Price.	Comm		N/A	\$18,400,000.00	\$70,700,000.00	\$18,400,000.00
Total Change Order Cost Change Amount					60,700,000.00		

Motion was made by _____ and seconded by _____ approving Employment Agreement with Richard Wallen, General Manager/CEO.

**Employment Agreement
between
Public Utility District No. 2 of Grant County, Washington
and
Richard Wallen**

THIS AGREEMENT is between Richard Wallen and the Public Utility District No. 2 of Grant County, Washington, hereinafter referred to as the "District."

WHEREAS, the Board of Commissioners of the District, hereinafter referred to as the "Commission," is interested in retaining Mr. Wallen in the position of General Manager/CEO according to the general terms and conditions outlined below; and

WHEREAS, the goals of this Agreement are:

- To recognize Mr. Wallen's considerable experience and proven performance in successfully managing a large public utility;
- To provide fair compensation as compared to similarly qualified professionals providing comparable services in a similar business environment;
- To express commitment between the Commission and Mr. Wallen, and to the community at large, that this employment relationship is intended to be lasting and durable; and
- To acknowledge and address the issue of job security insofar as Mr. Wallen shall report to a Commission where there is potential for membership to change every two (2) years and for the General Manager/CEO to be dismissed at any time without cause. For these reasons, the District wishes to provide Mr. Wallen with sufficient protection against dismissal without particular reason.

THE PARTIES AGREE AS FOLLOWS:

1. EMPLOYMENT AND EMPLOYMENT TERM

This Agreement will become effective upon approval and confirmation by the Commission in accordance with the terms and conditions of this Agreement. The General Manager/CEO's employment hereunder shall be effective as of April 26, 2022 (the "Effective Date") and shall continue until the third anniversary thereof, unless terminated earlier pursuant to Section 6 of this Agreement; provided that, on such first anniversary of the Effective Date and each annual anniversary thereafter (such date and each annual anniversary thereof, a "Renewal Date"), the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either party provides written notice of its intention not to extend the term of the Agreement at least 90 days' prior to the applicable Renewal Date. The period covered under this Agreement is hereinafter referred to as the "Employment Term."

For example, the initial term of this Agreement shall be April 26, 2022 to April 25, 2025. On the first Renewal Date, the term of this Agreement shall extend to April 25, 2026. Each subsequent annual

Renewal Date shall cause the termination date of this Agreement to be extended an additional year unless affirmative action is taken in writing against extending the Employment Term.

2. DUTIES

As General Manager/CEO, Mr. Wallen shall faithfully perform all duties and functions of a General Manager/CEO for a public utility district organized under the laws of the State of Washington, as described in said laws and stated in the District's job description for such position; and shall perform all other such lawful and appropriate duties and functions assigned or directed from time to time by the Commission. Mr. Wallen shall maintain his residency within the District's service area in Grant County, Washington.

The General Manager/CEO shall report to the Commission as the governing body of the District and not to any individual Commissioner.

3. SALARY AND PERIODIC PERFORMANCE REVIEW

As General Manager/CEO, Mr. Wallen shall be paid an initial annual base salary in the gross amount of Three Hundred Six Thousand Two hundred Thirty Eight dollars and 40 cents (\$306,238.40). During the term of this Agreement, the Commission shall periodically review General Manager/CEO's base, annual salary, and maintain or adjust it at the Commission's discretion. While all salary adjustments, whether increases or decreases, are determined at the Commission's discretion, the Commission expects that any future increases in General Manager/CEO's salary shall be at a percentage that is not less than the average percentage salary increase for all of the District's salaried employees, measured in the aggregate. Further compensation increases are at the discretion of the Commission and are not guaranteed either in frequency or in amount.

Mr. Wallen's performance shall be reviewed by the Commission and discussed with him no less than annually. This performance review shall be utilized by the Commission for the annual review of Mr. Wallen's compensation as well as the process to facilitate the discussion on the progress towards meetings the goals and objectives established by the Commission.

4. EXPENSES

As an employee of the District, Mr. Wallen shall be reimbursed for normal and customary business expenses incurred in the performance of his duties as General Manager/CEO in accordance with the District's existing practice, policy and procedure, as currently in effect or hereafter amended at the District's discretion.

5. BENEFITS

As a District employee, Mr. Wallen shall be eligible for benefits, as outlined below.

- (a) He is eligible for the District's employer-provided/subsidized benefits both core (mandatory) and elective in accordance with the District's existing programs, policies, and procedures.
- (b) Mr. Wallen is eligible for personal leave (PL). His annual accrual rate for PL shall be the maximum allowed under the District's Personal Leave policy. He shall receive the leaves and other benefits accorded the District's non-union employees. In addition, the Commission

adds a contribution to the personal leave (PL) bank of the General Manager / Chief Executive Officer as follows: 10 days at eight (8) hours per day.

- (c) He shall receive the sum of \$10,000.00 annually to be paid by the District into a District Section 457(f) plan, to the extent permitted by law. For each year during the term of this Agreement, the annual compensation described in this Section 5(c) shall be earned immediately upon Agreement and subsequent Agreement execution anniversary dates. Payment of said compensation by District to General Manager/CEO shall occur as a lump sum after the initial term of this Agreement, and after each three year term thereafter. All compensation paid to General Manager/CEO, under this Agreement Section 5(c), shall be released to General Manager/CEO upon Agreement expiry or involuntary separation, with or without cause. For any 457 compensation earned by General Manager/CEO in a year but not yet paid by District to General Manager/CEO such compensation shall be forfeited by General Manager/CEO if voluntary separation by the General Manager/CEO occurs within a year ahead of the compensation payment date.

6. TERMINATION AND SEVERANCE

The Commission may terminate General Manager/CEO's employment at any time, with or without cause. In the event of termination, General Manager/CEO's compensation and benefits shall be administered as set forth below.

- (a) **Without cause.** If General Manager/CEO's employment is terminated without cause, the District shall pay General Manager/CEO the greater of his then-current base salary or \$306,238.40 from the effective date of his termination through the end of the Employment Term. In no event shall General Manager/CEO receive salary continuation payments beyond a period of the Employment Term. These salary continuation payments shall be computed and paid in equal installments consistent with the District's normal payroll procedures and subject to required and authorized deductions and withholdings. General Manager/CEO shall not be required to mitigate the amount of these payments by seeking other employment or otherwise, and no income and/or benefits to General Manager/CEO of any kind shall reduce these payments. General Manager/CEO understands and agrees that these salary continuation payments are provided by the District, and accepted by General Manager/CEO, in lieu of all other remedies, at law, in equity or otherwise, regarding any aspect of General Manager/CEO's employment with the District and/or the separation of that employment, and General Manager/CEO waives any right that General Manager/CEO might otherwise possess to recover damages as a result of any aspect of his employment with the District and/or the termination of that employment. To further effectuate this provision, as a condition to any salary continuation payment, General Manager/CEO shall execute a comprehensive release of claims, and no payment shall be made unless and until the corresponding revocation period expires and the release becomes effective.

The right to terminate the General Manager/CEO's employment shall not be exercised prior to April 26, 2023 and the District shall give the General Manager/CEO not less than 12 months' notice prior to the effective date of termination.

- (b) **With cause.** If General Manager/CEO's employment is terminated by the District for cause, General Manager/CEO shall be paid General Manager/CEO's regular salary through the date of termination and General Manager/CEO shall not be entitled to any other compensation or

benefits of any kind, including the above-referenced salary continuation payments, vested or otherwise, under any District benefit plans, unless otherwise required by the specific terms of the governing plan documents.

- (c) **Cause defined.** For purposes of this Agreement, “cause” means, without limitation: resignation; death, conviction of any felony or any crime involving moral turpitude or dishonesty; fraud, theft or a material act of dishonesty against or otherwise involving or related to the District; material failure, inability or refusal to perform General Manager/CEO’s duties and/or responsibilities to the Commission’s satisfaction, including without limitation, material failure to achieve established performance goals and/or benchmarks; misconduct that causes or reasonably threatens to cause injury to the District, including its operations, reputation and/or goodwill; material breach of District policy, including without limitation policies prohibiting nepotism, discrimination, harassment and/or retaliation, as currently in effect or hereafter amended at the District’s discretion; other conduct that is inappropriate for, or unbecoming of, a senior manager or that compromises or reasonably threatens to compromise General Manager/CEO’s performance under this Agreement; and/or the unwillingness or inability, due to General Manager/CEO’s mental, physical and/or emotional impairment, to perform one or more essential functions of the position of General Manager/CEO for one hundred and twenty (120) consecutive calendar days, or one hundred and twenty (120) non-consecutive calendar days within any three hundred and sixty-five (365) day period. For purposes of leave under the federal Family and Medical Leave Act, General Manager/CEO acknowledges and agrees that he is a “key employee” as defined in 29 C.F.R. Section 825.217.
- (d) **Notice and opportunity to cure.** If the Commission wishes to terminate General Manager/CEO’s employment for cause, the Commission must first provide General Manager/CEO thirty (30) calendar days’ written notice of the circumstances constituting cause, and an opportunity to cure, unless the circumstances are not subject to being cured.
- (e) **Benefits.** General Manager/CEO’s participation in all District benefits plans and programs shall end on the date that General Manager/CEO’s employment ends, regardless of the reasons it ends (e.g., resignation, discharge without cause, discharge with cause, etc.). Thereafter, to the extent permitted under the federal law known as COBRA, General Manager/CEO shall be provided the opportunity to continue his and his dependents’ participation in the District’s group medical, dental and/or vision coverages for a period of time, at General Manager/CEO’s expense. General Manager/CEO’s rights under any retirement, stock purchase, or savings benefit plans in which General Manager/CEO may have participated during his employment with the District shall be determined in accordance with the law and/or written plan documents governing those plans.

7. POSSESSION/RETURN OF MATERIALS

Upon separation of employment or request by the District, General Manager/CEO shall return to the District all documents, records, files, electronic data, office supplies, and any other material or work product, including all drafts, copies and derivatives thereof that are in General Manager/CEO’s possession, custody or control and/or were created pursuant to or derived from the discharge of General Manager/CEO’s duties while employed. Upon the District’s request, General Manager/CEO shall also provide the District signed certification of his compliance with this provision.

8. NO RAIDING

General Manager/CEO recognizes that the District's workforce is a vital part of its business. Therefore, General Manager/CEO agrees that for a period of twelve (12) consecutive months after General Manager/CEO's employment with the District ends, regardless of the reason, General Manager/CEO shall not directly or indirectly, alone or with others, solicit or otherwise influence any employee, independent contractor or other service provider to end or otherwise modify his or her employment, contractual or other relationship with the District and/or become employed by or otherwise associated with General Manager/CEO or any entity that employs or retains General Manager/CEO.

9. ASSIGNMENT/SEVERABILITY/WAIVER

This Agreement shall inure to the benefit of, and be binding upon, the District and its successors and assigns. This Agreement is personal to General Manager/CEO, and the General Manager/CEO shall not assign or delegate his rights or duties under this Agreement, and any such assignment or delegation shall be null and void. If any part of this Agreement is held to be unenforceable, it shall not affect any other part. If any part of this Agreement is held to be unenforceable as written, it shall be enforced to the maximum extent allowed by applicable law. No waiver of any provision of this Agreement is valid unless in writing, signed by the party against whom the waiver is sought to be enforced. The waiver of any breach of this Agreement or failure to enforce any provision of this Agreement shall not waive any later breach.

10. GOVERNING LAW/VENUE/JURISDICTION

This Agreement shall be governed by the laws of the State of Washington. Venue for any legal action hereunder shall be in the Superior Court of Grant County, Washington.

11. ENTIRE AGREEMENT

The parties have had the opportunity to consult with their respective, independent legal counsel before signing this Agreement, and the District previously specifically encouraged General Manager/CEO to secure such independent review and counsel. Both parties have participated in drafting this Agreement and agree that the rule that ambiguities are construed against the drafter does not apply. This Agreement is the final and complete expression of the parties' agreements relating to General Manager/CEO's employment and it supersedes any prior agreements, written or oral. It may be amended only by a writing signed by both parties, and not orally or by course of dealing. The parties enter this Agreement without relying on anything not set forth in it. This Agreement controls over inconsistent policies or procedures of the District, in effect now or later, but does not affect consistent policies and procedures, which shall apply to General Manager/CEO according to their terms, as currently in effect or hereafter amended by the District at its discretion. This Agreement may be executed via facsimile and/or PDF or TIF, and in one or more counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties executed this Agreement on April 26, 2022

Richard Wallen, General Manager/CEO

Public Utility District No. 2
of Grant County, Washington

By: _____

By: _____
Judy Wilson, President
Board of Commissioners

For Review and Action

Motion was made by _____ and seconded by _____ authorizing payment to Shelton Corrals, for invoice dated November 29, 2021 in the amount of \$29,108.00.

MEMORANDUM

March 9, 2022

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, COO
Ty Ehrman, Managing Director of Power Production
Dale Campbell, Senior Manager of Power Production Engineering
Jason Michelbook, Manager of Mechanical Engineering

CC: Dmitry Turchik, Manager Internal Audit
Carol Mayer, Manager Procurement & Warehouse
Tracy Holcomb, Accounts Payable Supervisor

FROM: Shannon Kellam, Power Production Engineer II

SUBJECT: Shelton Corrals, Invoice Payment

Purpose: Request Commission approval to pay Shelton Corrals invoice, in the amount of \$29,108.

Discussion:

Vendor, Shelton Corrals, purchased and delivered materials before providing District Staff with necessary documentation to issue a purchase order.

Shelton Corrals provided the horse corral panels for the original corral set up and were contacted by the District at the end of October to supply a preliminary quote for additional corral panels of the same brand.

- October 28th, 2021: District staff met with owners, Scott and Kay Shelton, at the site of the existing Wanapum Indian Village horse corral to discuss scope of the project and exact quantities of each type of panel being used
- November 1st, 2021: District staff sent Shelton Corrals a request for a revised quote with the numbers discussed during the onsite meeting.
- Unknown Date: Shelton Corrals ordered the quantity and type of panels listed on the November 1st quote request without District authorization
- November 29th, 2021: District staff received a revised quote from Shelton Corrals. The District Representative completed all but the shipping information on an official Request for Quote (RFQ) form and sent it back to Shelton Corrals with the request to:
 - Change delivery site from the Grant County side of Priest Rapids Dam to the Yakima County side of Priest Rapids Dam
 - Complete the official RFQ with delivery information
 - Read and return to the District Representative.
- January 20th, 2022: Shelton Corrals reached out with an updated delivery cost for delivery to the Yakima County Side of Priest Rapids Dam.
- January 24th, 2022: District staff were informed the panels were going to be delivered 48 hours later.
- January 25th, 2022: the District Representative sent an email with a request to complete the RFQ with the latest delivery fee and return the RFQ by the end of day. District Representative spoke

to Scott and Kay Shelton later that day and verbally expressed the importance of returning the RFQ by the end of the day.

- January 26th, 2022: Printed copy of the RFQ and an invoice were left with District Staff when Shelton Corrals was onsite delivering the panels

No PO was issued as the necessary documents were provided to District at the time of delivery.

In summation the vendor delayed return of the documentation required to issue a purchase order until the material was delivered and a PO was not issued.

District Staff involved have discussed this event and committed to refuse delivery of materials or refrain from initiating labor, without a PO or contract properly put in place.

Recommendation: Commission approval to pay Shelton Corrals, in the amount of \$29,108.00.

SHELTON CORRALS
Scott Shelton
15450 Vantage Highway
Ellensburg, WA 98926
(509) 899-2123

11-2-21

Grant County PUD
Vanessa Seldal
Shannon Kellam

Revised Quote: HORSE PEN DIVISION

QTY	ITEM #	DESCRIPTION	PRICE	TOTAL
30	768	12' X 6' Corral Panel	\$ 392	\$11,760
6	381	12' x 8' w6' High Gate	\$1,184	\$ 7,104
12	766	8' x 6' Corral Panel	\$ 299	\$ 3,588
3	954	Tombstone 3 piece Round Bale Feeder	\$1,377	<u>\$ 4,131</u>
				\$26,583
Delivery to Yakima Co. side of project site				<u>\$ 2,525</u>
			TOTAL	\$29,108

RFQ Number: 2021.11.29
 RFQ Issue Date: 11/29/21
 RFQ Closing Date and Time:
 RFQ Technical & Safety Contact: Shannon Kellam, 406-399-1962, skellam@gcpud.org
 RFQ Procurement Contact: Kristin Fleiser, 509-793-1542, kfleisher@gcpud.org

Required Delivery Date:
 Shipping Terms: FOB Destination
 Shipping Address: Wanapum Indian Village, 290860 Highway 243 S. Mattawa, WA 99349
 Special Instructions:

Bidder Company Name: Shelton Corrals
 Bidder Contact Info: Scott & Kay Shelton, honestcutmeats14@gmail.com, 509-899-2123

Item No.	Qty	Unit Type	Part Number	Description	Unit Price	Extended Price	Delivery
1	30	each	768	12' X 6' Corral Panel	\$392.00	\$11,760.00	
2	6	each	381	12' x 8' w6' High Gate	\$1,184.00	\$7,104.00	
3	12	each	766	8' x 6' Corral Panel	\$299.00	\$3,588.00	
4	3	each	954	Tombstone 3 piece Round Bale Feeder	\$1,377.00	\$4,131.00	
							Delivery
							2525
Total Bid Price*							29,108

*Prices quoted shall be all inclusive, including freight, with the exception of Washington State and Local Taxes.

Prompt Payment Discount: Bidder understands and accepts the Prompt Payment Discount of 2% 10 days (see terms and conditions below).
 Yes _____ No ☒

[Click here for link to Grant PUD's Purchase Order Terms and Conditions for Materials](#)

From: [Ty Ehrman](#)
To: [Shannon Kellam](#); [Dale Campbell](#); [Carol Mayer](#)
Cc: [Jason Michelbook](#); [Dmitriy Turchik](#); [Tracy Holcomb](#)
Subject: RE: Shelton Corrals Commission Memo
Date: Friday, March 11, 2022 5:06:17 PM
Attachments: [Shelton Corrals Commission Memo.docx](#)
[Shelton Corrals - Invoice & RFQ - Delivered 01.26.22.pdf](#)

All, I've added Dmitry and Tracy for their information/involvement. Dmitry and Tracy, I've already approved of this memo for commission. Thanks.

Ty Ehrman

DESK 509.793.1587

CELL 509.361.8201

From: Shannon Kellam <Skellam@gcpud.org>
Sent: Thursday, March 10, 2022 4:19 PM
To: Ty Ehrman <Tehrman@gcpud.org>; Dale Campbell <Dcampbe@gcpud.org>; Carol Mayer <Cmayer@gcpud.org>
Cc: Jason Michelbook <jmichel@gcpud.org>
Subject: Shelton Corrals Commission Memo

Good Afternoon All,

Please see the attached Commission Memo to seek payment for Shelton Corrals. I have also attached scans of the invoice and the RFQ they hand-delivered when they were onsite delivering the materials January 26th.

My apologies to everyone for the additional work this has caused.

Thank you for your support,

Shannon Kellam

Hydro Mechanical Engineer

MOBILE 406.399.1962

EMAIL skellam@gcpud.org



grantpud.org